



Quote, unquote: Kraft and Cadbury

11 September 2009 | Source: just-food.com

From the sustained determination of Kraft Foods boss Irene Rosenfeld and the steely rebuttal of Cadbury to the counter arguments of the analyst community and the caginess of Nestle chief Paul Bulcke, the one story on everyone's lips this week has been the US food giant's pursuit of the UK confectioner. Here are some of the more choice quotes:

"We believe Cadbury has few catalysts for value creation as a stand-alone entity in an increasingly competitive market. We have strong stand-alone, operational momentum. The time is right for this combination to happen" Kraft Foods chairman and CEO Irene Rosenfeld

"The board believes that the proposal fundamentally undervalues the group and its prospects" Cadbury

"We have welcomed the management moves to improve shareholder returns, and think these initiatives have much further to run. We also note the valuations of other recent food transactions. As such we therefore believe this approach materially undervalues Cadbury and support the management in rejecting it" Mark Burgess on behalf of Cadbury shareholder Legal & General

"Arguably, if the bid succeeds, the ensuing integration of two distinct cultures will create profound disruption and provide Nestle and others with a competitive advantage. In the worst case, it may cause irreparable damage to the Cadbury business and thus be the best thing that ever happened to the competition. This bid has industrial and strategic logic going for it but it demonstrates extreme cultural insensitivity" independent analyst James Amoroso

"Kraft will need to tread carefully to avoid overpaying. It is possible that Kraft could shed some non-snacks businesses to help to fund the deal" Sanford Bernstein analyst Alexia Howard

"We've done a great deal of strategic thinking about the portfolio [and] we do not need to make any portfolio moves for financial reasons... We have great respect for Cadbury, for its brands, for its employees and for its proud heritage, but I believe that in the current global economy the growth prospects are constrained" Rosenfeld

"We consider that GBP9.00 would be a fair and reasonable price for both sides in this "war". While Kraft would be paying 20% more than its initial bid for Cadbury...it would be getting a "once in a lifetime" asset and a "compelling" acquisition" Sanford Bernstein analyst Andrew Wood

"I'm not going to comment on possible reactions or expectations from Nestlé's side, it can only add to speculation that we don't want to have for the time being... Chocolate is not like some other categories, it depends on where the individual brand sits. We have numerous number one positions in chocolate...very, very strong positions, it's not the overall figure" Chocolate is a very special world. People don't go out to a store and say 'I want to buy the number one chocolate', they buy their specific brands" Nestle CEO Paul Bulcke

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